

Long-term engagement: The future of the Regional Assistance Mission to Solomon Islands

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Overview

Support for the gradual withdrawal of the Australian-led Regional Assistance Mission to Solomon Islands (RAMSI) has been building both in Australia and in Solomon Islands since 2007. The relative peace and security enjoyed by Solomon Islands since the post-election riots of 2006, coupled with

the comparative economic stability of the past seven years, has underpinned a growing confidence that RAMSI can be gradually drawn down and that many of its functions can be 'transitioned' to the Solomon Islands Government (SIG), to Australia's bilateral aid program, and to other bilateral and multilateral donor programs.



An aerial view shows the damage caused by post-election riots in Honiara's Chinatown in April 2006. © Reuters/STR New/Picture Media

That said, opinions differ about timeframes, especially within Solomon Islands. While surveys suggest that the vast majority of Solomon Islanders continue to support the presence of RAMSI, some of their elected political leaders have expressed strong opposition to the mission. In February 2011 RAMSI was again at the centre of a diplomatic furore, with unsupported allegations emanating from Prime Minister Danny Philip's office that the Australian Government is unhappy with his five-year exit timetable for RAMSI, and instead prefers an open-ended commitment. These agendas are clearly driven by short-term parochial interests and political expediency. However, they highlight the difficulties involved in developing credible policy options for the future of RAMSI.

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It's argued here that a *complete* transition of Australian support from the very particular vehicle that is RAMSI isn't a credible option. While Australian assistance can be progressively and significantly 'desecuritized', the historical relationships between political economy and conflict in Solomon Islands indicate that the country is entering into a high-risk period for conflict. This means that an external 'security guarantee' will need to be maintained, and RAMSI provides a useful vehicle for doing so.

The expected collapse of the logging industry by 2015, magnified by the impact of the global economic crisis, will present a set of severe economic challenges for Solomon Islands. In addition to lost jobs and falling government revenue, the decline of log exports is likely to place pressure on local patronage networks

and exacerbate existing socioeconomic grievances, thereby partly recreating conditions that contributed to the original outbreak of violence in the late 1990s.

Moreover, medium-term economic development is expected to be based on urbanisation and enclave development, especially mining, which will further entrench historical patterns of inequality. Even with careful management, the advent of large-scale mining will be likely to spawn new patterns of rent-seeking and local-level resource conflict, as it's done in neighbouring Papua New Guinea.

Given this scenario, one must weigh the cost of maintaining a small ongoing security presence against the potentially much greater cost of having to redeploy a larger contingent if lawlessness returns to the country following a precipitate withdrawal of the RAMSI security guarantee. Recent security incidents—including the mini-riot following the custodial sentence handed down to North Malaita MP Jimmy Lusibaea in November 2010 and the discharging of a firearm in an apparent act of political intimidation in January 2011—point to the ongoing spectre of political violence.

If it's accepted that an external security guarantee will need to be maintained for at least the next ten to fifteen years, the critical question then becomes: what sort of mechanism or vehicle will underwrite it? A complete dismantling of RAMSI's enabling architecture could make it difficult, even impossible, to provide a credible deterrent effect and rapid response capability. If it's to be dismantled, an alternative, perhaps more streamlined, mechanism will be required to take its place.

The transition of some of RAMSI's functions to the bilateral aid program also provides an important opportunity to think strategically about the most effective way for Australia to deliver development assistance to

Solomon Islands. This question is timely, given the Australian Government's commitment to double the aid program by 2015 and the recently commissioned review of aid effectiveness.

The dire economic forecasts and high population growth of around 2.3% mean that SIG revenue will continue to be insufficient to meet the costs of governing, and significant donor support will, therefore, be required for the foreseeable future. The way official development assistance is delivered needs to change to better reflect the reality that aid will play a central role in the Solomon Islands economy over the long term.

It's recommended that aid funds be progressively channelled through SIG systems—as *those systems improve*—in line with SIG priorities and policies. Such an approach would bring improved predictability and stability to aid transfers, while also maximising the potential for the local private sector to benefit from official development assistance. Recent achievements in the education and health sectors have been underpinned by precisely this sort of approach to aid delivery, and current AusAID-funded work on the cost of service delivery could better inform future budgetary support.

The Australian policy debate about Pacific labour mobility needs to be expanded from a narrow focus on Australia's domestic economy...

History tells us that for many Solomon Islanders the only way to participate in the cash economy has been by selling their labour away from home. This is particularly true for people from Malaita Province, who account for a third of the total population and have a long and proud history of labour migration.

The looming economic crisis will exacerbate already high levels of youth unemployment. Most of the 10,000 or so young Solomon Islanders who enter the workforce each year won't be able to find employment. Therefore, there's an urgent need for Solomon Islanders to be able to access Australian labour markets.

The nexus of internal migration, development and conflict in Solomon Islands, and the ultimate cost that it can bring to bear on Australia, supports a case for Solomon Islanders to be granted preferential access to Australian labour markets, even if that means competing with Australians. The Australian policy debate about Pacific labour mobility needs to be expanded from a narrow focus on Australia's domestic economy to include explicit consideration of the development and stability of our Melanesian neighbours.

By restoring law and order, disarming ex-militants and police and stabilising the economy, the RAMSI intervention has been instrumental in creating the right environment for indigenous peace-building to occur. However, criticisms that the intervention initially 'crowded out' such local agendas also seem reasonable.¹ Rather than consigning these questions to the realm of 'lessons learned', ongoing assistance to Solomon Islands should take more seriously the need to move forward with local agendas for peace and reconciliation, and constitutional change, by supporting them in whatever way possible.

Background: Why RAMSI?

RAMSI came about in response to the low-level conflict and deterioration in governance that began in Solomon Islands with an uprising and subsequent 'ethnic tensions' on the island of Guadalcanal in 1998 (see Box 1). Perceptions that Solomon Islands was on the brink of 'state failure', and the threat that this could pose to

Australia's national interests, provided the primary rationale for the deployment of the Australian-led intervention mission in 2003 (RAMSI is described in detail in Box 2).

There's been much speculation as to why the Australian Government didn't intervene in Solomon Islands earlier than it did, despite a number of requests for assistance made by successive Solomon Islands governments. As late as January 2003, only six months before RAMSI was deployed, Foreign Minister Alexander Downer dismissed the option of armed intervention as 'folly in the extreme'.

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The intervention represented a strong departure from Australia's previous reluctance to interfere directly in the affairs of its closest neighbours in the Western Pacific. Described by some observers as a 'paradigm shift' and by others as the 'new interventionism', the rationale for intervening was clearly influenced by broader shifts in the international strategic environment following the 9/11 attacks in 2001 and the subsequent US-led 'War on Terror'.²

Those developments provided a new lens for interpreting threats to national security, particularly threats emanating from so-called 'failed' and 'failing' states. Throughout the first part of 2003, the relationship between state failure and a range of transnational security threats, including terrorism, was explicitly mentioned in a number of statements by Prime Minister John Howard and by Foreign Minister Downer, who directly

alluded to Solomon Islands in a National Press Club address in late June 2003.

On the eve of the deployment of RAMSI, an ASPI publication titled *Our failing neighbour* appealed to this new strategic thinking by evoking the metaphor of Solomon Islands becoming a 'petri dish' for the incubation of 'transnational and non-state security threats'.³ The paper advocated a police-led peacekeeping effort to be followed by a long-term state-building exercise. Situating the intervention within a larger strategic frame arguably made it more palatable to an Australian constituency with very limited interest in the affairs of Pacific island micro-states.

The mission's governance arrangements have changed and evolved in recent years, facilitated by the improvement in the bilateral relationship that occurred with the advent of new governments in Honiara and in Canberra in late 2007. An Enhanced Consultative Mechanism was established, providing a forum for regular dialogue and communication between RAMSI, the Solomon Islands Government (SIG) and the Pacific Islands Forum.

More recently, those parties have agreed on and endorsed a Partnership Framework, which provides for a much greater role for the SIG in determining the mission's objectives and timeframes, and in monitoring progress through a Joint Performance Oversight Group co-chaired by the Special Coordinator and the Solomon Islands Prime Minister. The Partnership Framework is indicative of the palpable improvement in the bilateral relationship since the low point of 2006–07. Importantly, the framework also acts as a master exit strategy, providing for targets, milestones and timetables for 'RAMSI transitioning out of particular areas as sufficient local capacity is built'.⁴

Box 1: 'The Tension'

What became known locally as 'the ethnic tension' or simply 'the Tension' began in late 1998, when Guadalcanal militants calling themselves the Isatabu Freedom Movement set about a violent campaign of harassment that led to the eviction of around 35,000 migrant settlers, most of whom originated from the island of Malaita, from their homes in the rural and peri-urban areas east and west of Honiara. A rival militant group, the Malaita Eagle Force, started to emerge from mid-1999. Comprising men who'd been living on Guadalcanal before the start of the conflict and others who'd come over from villages on Malaita, the Malaita Eagle Force established a 'joint operation' with the Malaitan-dominated paramilitary Police Field Force, and in June 2000 staged a *coup d'état*.

The fighting escalated after the coup, but open conflict between the rival militant groups effectively ended with the signing of the Townsville Peace Agreement in October 2000. However, the agreement didn't bring about lasting peace, as the country remained militarised and ex-militants and police continued to engage in collective and opportunistic violence. On the remote Weather Coast of Guadalcanal, a second joint operation consisting of police and former members of the Isatabu Freedom Movement continued to fight Harold Keke and his followers, who had refused to sign the agreement. Government coffers emptied rapidly as a result of the manipulation of the compensation process, the rorting of ex-militants' demobilisation and rehabilitation schemes, and the direct theft and extortion of state funds. The violence and lawlessness continued until the deployment of RAMSI in July 2003, following a second request from then Prime Minister Sir Allan Kemakeza.

An important structural cause of the conflict was the spatial inequality in socioeconomic opportunities brought about by longstanding patterns of uneven development and, related to that, the migration of people from the densely populated and historically undeveloped island of Malaita to Honiara and the adjacent areas of rural Guadalcanal. Settlers and indigenous landowners were thrown together

in increasing numbers, bringing their social and cultural differences into stark relief. Guales (indigenous persons of Guadalcanal) began to resent Malaitans' perceived domination of land and employment opportunities. Disputes also emerged within landowning groups about the land transactions that had enabled Malaitans to settle on Guadalcanal in increasing numbers. These internecine disputes had a salient intergenerational dimension, reminiscent of the origins of the Bougainville conflict.

Relative deprivation was also an important grievance for many of the Guale militant leaders, most of whom originated from the remote and undeveloped Weather Coast of Guadalcanal. Other structural factors contributing to the conflict included:

- the weakness and widely perceived illegitimacy of the postcolonial state
- the ongoing strength of localism and regionalism, and corollary calls for greater devolution and provincial autonomy
- the presence of relatively large numbers of poorly educated and underemployed young men in the population
- the chronic instability, and close ties with the notoriously corrupt logging industry, that have characterised national-level politics since independence.

Proximate or triggering causes of the conflict included:

- the role of unscrupulous political elites in exploiting the abovementioned grievances to manufacture ethnic conflict in pursuit of their own political and economic agendas
- the disruption to political patronage networks engendered by the impact, in the late 1990s, of declining demand for Solomons log exports due to the Asian financial crisis
- the subsequent donor-inspired, structural adjustment-style reform agenda of the Solomon Islands Alliance for Change government that came to power in 1997
- the demonstration effects of the Bougainville conflict, particularly on the thinking of young Guale men.

Box 2: The Regional Assistance Mission to Solomon Islands (RAMSI)

RAMSI was mobilised in July 2003 as a multinational mission under the auspices of the Pacific Islands Forum and, specifically, the Biketawa Declaration on Mutual Assistance (2000). Though regional, the intervention's been led by Australia, which has provided the bulk of the resources and personnel at a cost of around \$250–300 million per year. The intervention was invited by the SIG, which retains the absolute right to revoke its consent. The domestic enabling legislation, the *Facilitation of International Assistance Act*, is reviewed by the Solomon Islands Parliament on an annual basis.

The intervention's first task was to restore law and order. This was accomplished by a Participating Police Force numbering around 330 officers supported by a contingent of 1,800 military personnel. While the intervention's early success in restoring peace and order and disarming ex-militants allowed for a considerable reduction in the size of the military contingent, there's been a continuous military presence, and the number of Participating Police Force officers on the ground has remained in the region of two hundred or so.

The intervention's longer term state-building efforts are organised around three 'pillars': law and justice, economic governance and growth, and the machinery of government. In addition to police and military personnel, there are currently around ten to twelve RAMSI officers—many of them seconded Australian public servants—situated as 'in-line' officers across a number of SIG departments and agencies. Overall coordination is exercised by the Special Coordinator's office in Honiara, headed by a senior Australian diplomat.

The early successes of the intervention exceeded all expectations. Around 3,600 guns had been surrendered by the end of 2003, representing 90%–95% of the total estimated number of firearms in the community. By the beginning of 2005, more than 5,000 arrests had been made and approximately 7,300 charges laid. While most of those charged were ex-militants and former police officers, a number of ex-politicians, so-called 'big fish', have also been prosecuted for Tension-related crimes. Around 25% of the Royal Solomon Islands Police Force (RSIPF) was removed.

The success also extended into the sphere of economic management, with the rapid stabilisation of government finances and the balancing of the national budget. Structural reforms implemented under RAMSI's economic governance and growth pillar have been credited with contributing to positive trends in foreign investment, export earnings, employment growth and overall GDP growth, which has averaged around 7% a year since 2004. They include reforms in the areas of foreign investment, state-owned enterprises, taxation and import duties, the business regulatory environment and, most recently, telecommunications.

The success of the intervention's more ambitious state-building objectives is much more difficult to assess. Recent commentary from the World Bank suggests that RAMSI and the broader donor community may have played some part in the increase in the quantity and complexity of public sector bureaucracies—including the proliferation of project implementation units within line ministries—that's occurred since 2003. These developments, described as 'state deficit', may be undermining the effectiveness of government in Solomon Islands.



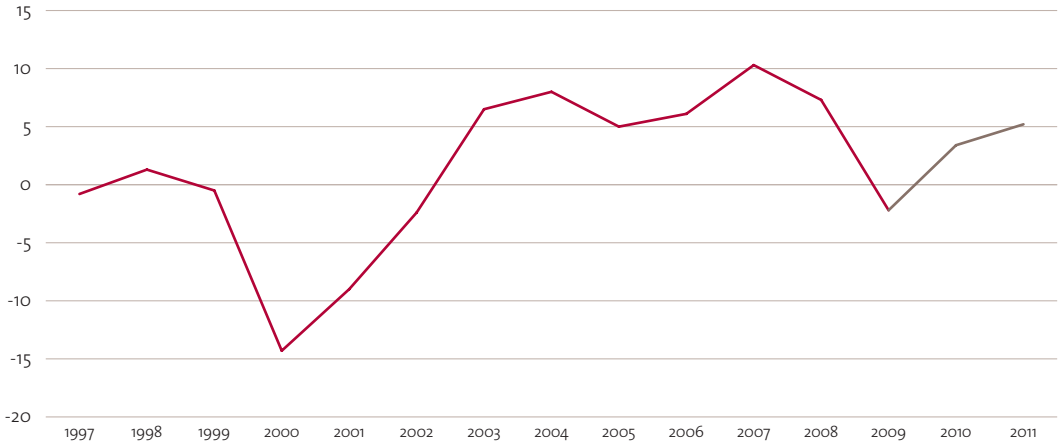
RAMSI military personnel destroy weapons at a ceremony at Marau, south east of Honiara on the last day of the Solomon Island gun amnesty on 21 August 2003. © Department of Defence

Economic trends and the expected collapse of the logging industry

The high economic growth rates of the post-conflict period (see Figure 1) can be attributed to unprecedented levels of round log exports, general economic recovery, and an influx of aid.⁵ However, the average annual rate of GDP growth of 7% between 2003 and 2008 hasn't been sufficient to return the economy to its pre-Tension (that is, pre-1998)

growth path. Growth declined by 2.2% in 2009 due to the fall in demand for logs, but was expected to recover to 4% in 2010. When population growth is taken into account, GDP per capita has actually declined by an average of 1.3% a year over the period from 1998 to 2008. In 2008, GDP per capita was at least 15% lower than it was before the conflict. Since the arrival of RAMSI, SIG expenditure has increased significantly, from around 25% of GDP in 2003 to 50% of GDP in 2009.

Figure 1: Solomon Islands GDP growth, 1997 to 2011 (1985 = 100)



Source: Central Bank of Solomon Islands (1997–2009); World Bank projections (2010–11).

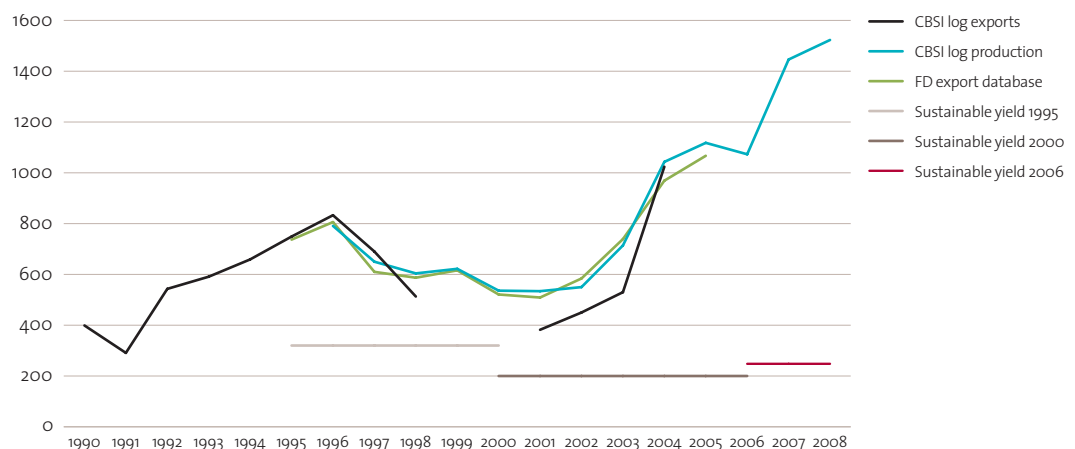
There have been two historical peaks in the volume and value of Solomon Islands' log exports (see Figure 2). The first occurred in 1996, before the Asian financial crisis and the subsequent ethnic tension caused a marked decline in timber production and exports. The industry has recovered steadily since 2001 and exports are once again at record levels, with logging revenue currently contributing around 70% of export income, compared to 50% in 1994, and over 15% of government revenue. Notwithstanding a blip in log exports due to the global economic crisis, twice as much timber is being exported from Solomon Islands now than under the notorious 'loggers' government' of Solomon Mamaloni in the mid-1990s.⁶

Timber production levels have exceeded estimated sustainable production levels in almost all years since 1981 (see Figure 2). The most recent technical assessment estimates that Solomon Islands' forests are being exploited at four times the sustainable limit and that the natural forest resource will be exhausted by the end of 2015.⁷

While these sorts of estimates have been proven wrong in the past, most informed observers believe that the rapid depletion of forestry resources presents an acute economic and fiscal crisis for Solomon Islands.⁸ The decline of the logging industry will see export and government revenue fall dramatically, and the loss of an estimated 5,000 jobs. The collapse of the industry, in concert with a population growth rate of 2.3%, is likely to lead to a sustained period of negative per capita economic growth.

The history of the forestry sector since independence in 1978 has been a woeful tale of corruption, greed, profligacy, patronage, tax avoidance, maladministration, incompetence and environmental destruction.⁹ The state has forgone hundreds of millions of Solomons dollars in potential revenue due to tax exemptions and poor monitoring and surveillance. While it has been alleged some politicians, public officials and landowners have variously benefited from royalties, profits, and bribes and inducements, it's been the predominantly Malaysian logging companies that have captured the bulk of the economic rent from the forest resource.

Figure 2: Solomon Islands log production and exports, 1990–2008 ('000 m³)



Sources: Central Bank of Solomon Islands Quarterly Reviews 15(1)/2003, 16(4)/2004, 17(1)/2005, 17(2)/2005, 20(1)/2008, 20(3)/2008, 21(1)/2009; Forestry Department Export Database.



Children watching logging machinery at a logging port on Guadalcanal, Solomon Islands in 1994. © Peter Solness.

The end of logging will also dry up the Asian loggers' money that's been grist to the mills of local patronage networks since the early 1980s. Only two Solomon Islands governments have ever dared to attempt to interfere with the business of logging and patronage. One was forced to resign in the face of a vote of no confidence in 1994, and the other, Bartholomew Ulufa'alu's Solomon Islands Alliance for Change government, was removed from office in the coup of 2000. The latter government's attempted reform of the logging industry was part of a broader reform program brought about by the collapse of logging revenues due to the Asian financial crisis. Ulufa'alu's donor-inspired package of structural adjustment-type reforms struck at the heart of the patronage state and, in concert with the collapse of logging money, was a significant cause of the violent conflict that ensued.¹⁰

Seen in this context, the potential impacts of the impending collapse of the logging industry are far more serious than a simple economic crisis. The decline of the industry could partly recreate the conditions of the late 1990s that provided the immediate impetus for the uprising on Guadalcanal, particularly if the economic crisis is accompanied by austerity measures.

A recent World Bank study found that existing and planned projects in the mining, fisheries, tourism, plantation forestry and agriculture sectors will be unlikely to replace the expected loss of exports, jobs and government revenue caused by the decline of the native logging industry.¹¹ While projects in those areas, if implemented without delay and under favourable economic conditions, *may* offset the loss of jobs in logging, they won't provide enough jobs for the estimated 10,000 people who enter the workforce each year; nor will they generate sufficient tax and royalty receipts to make up for the lost government revenue from logging.

The World Bank study also warns that 'big ticket' projects, particularly in the mining sector, have the potential to generate conflict if their costs and benefits aren't fairly distributed. This has certainly been the experience in neighbouring Papua New Guinea (PNG), where the socioeconomic and environmental impacts of large-scale mining projects have been implicated in a number of local- and regional-level conflicts, including a full-scale secessionist conflict in Bougainville.¹²

Moreover, the uneven distribution of the costs and benefits of resource and enclave

developments, including in Honiara itself, has been a major source of grievance for Solomon Islanders and was an important underlying cause of the Tension. The World Bank study concluded that the ongoing challenges of managing the distributional impacts of enclave development make it ‘vital that a credible security guarantee is provided for as long as it is required’.¹³

Development indicators

The positive economic data of recent years belies the fact that Solomon Islands continues to fare very poorly across the spectrum of social development indicators. That said, there have been modest gains in the health and education sectors, which can probably be attributed to enhanced donor support in the post-conflict environment. The 2009 *Human development report* ranked Solomon Islands 135th of the 182 countries listed. The only Pacific island country with a lower ranking was PNG, at 148th.

AusAID’s 2009 review of Pacific island countries’ progress towards achieving the Millennium Development Goals (MDGs) lists Solomon Islands among a small group of countries, including Kiribati and Nauru, that ‘are positioned to meet very few of the MDGs’.¹⁴ More specifically, the country’s ‘on track’ to meet only two of the seven MDGs—those relating to child mortality and maternal health. Even there, the positive trends mask the fact that, of the Melanesian nations, only PNG has higher infant mortality and maternal death rates. The achievements in the health sector have been underpinned by significant AusAID support through a ‘sector-wide approach’, which provides funds both for programs and for budgetary support. Given the impending fiscal crisis facing the SIG, this type of support to basic service delivery will need to be maintained and, preferably, enhanced.

Rethinking the aid delivery paradigm

Development assistance has played a critical role in the restoration of law and order and economic recovery since 2003. The presence of foreign security forces and legal personnel has underwritten the rule of law and the administration of justice. Advisory support to central government agencies, particularly the Ministry of Finance, has been instrumental in the restoration of sound financial and macroeconomic management. Donor assistance currently accounts for more than 30% of expenditure on education, 50% of expenditure on health, and around 90% of the development budget, much of which is used for infrastructure. Donors also provide more than two-thirds of the cost of policing services.

The expected decline in government revenue brought about by the collapse of the logging industry will make it even more difficult for the SIG to maintain public services, infrastructure and the basic functions of government without significant external support.

In addition to fiscal constraints, the government faces crippling capacity deficits. The 2009 RAMSI annual performance report identified acute shortages of Solomon Islander staff in the law and justice sector agencies and in the Ministry of Finance.¹⁵ High vacancy rates are caused by the dual impact of an absolute shortage of qualified personnel and the uncompetitive levels of public sector salaries. The latter factor is causing a ‘brain drain’ of qualified and capable personnel from the public service; many are joining donor-funded projects and programs that offer higher levels of remuneration. The report also noted that the lack of housing and infrastructure are a major impediment to the RSIPF developing the capability to be located in, or visit, all areas of the nation.

The World Bank study suggests that there could be much to be gained from a more explicit recognition on the part of donors that development aid, including technical assistance, will continue to play a central role in Solomon Islands for the foreseeable future. Acceptance of the reality of a long-term aid engagement would underpin a rethinking of the aid delivery paradigm. It would encourage a shift away from short-term project-based aid modalities that create inefficient parallel governance structures, towards programmatic approaches and budgetary support using existing SIG systems and processes.

Such changes, which are consistent with the principles of the Paris Declaration and the Accra Agenda, would bring more predictability and stability to aid flows over time. They would also maximise the potential for the local private sector to benefit from aid, which is important given the Solomon Islands' dire economic forecasts and recent critiques of Australian 'boomerang aid'. It's estimated that only around 20%–26% of official development assistance to Solomon Islands is currently spent locally.¹⁶

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The proposed changes to the way aid is delivered should be progressively introduced as improvements in government systems and enhanced dialogue between government and donors are achieved. There's evidence to suggest that some of those improvements are already taking place, and the hitherto successful Partnership Framework could provide a useful model for an expanded dialogue. Furthermore,

NZAID and AusAID support to education and health, respectively, have established successful precedents for channelling aid through the SIG's budgeting systems.

Given the ongoing capacity constraints facing the SIG, it will also be important to recognise the need for sustained technical assistance to key areas of government, such as finance, macro-economic management, and law and justice sector agencies.

Moreover, new advisory support should be provided to the key extractive resource sectors of fisheries, forestry and especially mining, with a view to establishing effective regulatory agencies in those sectors, akin to those that have been established in PNG with donor support. This is particularly important in the light of the expected shift in the economic base towards mining and the social conflict that this could potentially entail if benefit-sharing processes aren't managed effectively.

Donor support to subsistence and smallholder agriculture should also be enhanced, as agriculture underwrites the livelihoods of most Solomon Islanders (85% of whom live in rural areas) and provides a critical safety net in times of economic hardship.

Formal sector employment and access to Australia's labour markets

History tells us that for many Solomon Islanders the only way to participate in the cash economy has been by selling their labour away from home. This is due to the geographically determined pattern of uneven development, which has meant a dearth of job opportunities in most rural areas.

Malaitans in particular have a proud history of labour migration stretching back to the 'blackbirding' era of the latter part of the 19th century, when tens of thousands of Melanesians were recruited to work on the sugarcane plantations of Queensland and Fiji. The bulk of those recruited from Solomon

Islands were Malaitans, a trend that continued in the domestic plantation economy that built up from the early 1900s as the British looked to copra as the primary source of income for their new colony.

The plantations were concentrated in parts of what's now Western Province and on the northern plains of Guadalcanal, which were areas with suitable environments and good anchorages. The phenomenon of enclave plantation development continued after World War II with the further expansion of commercial agriculture on the Guadalcanal plains. Those plantations, Honiara itself, and, from 1997 until its closure during the Tension, the Gold Ridge mine in the hills east of Honiara, became a magnet for workers from Malaita and other parts of the archipelago, including the Weather Coast of Guadalcanal.

Some Malaitans claim that their island has been deliberately neglected by both colonial and postcolonial development planners. However, as mentioned above, the pattern of uneven development has been determined mainly by geography, perhaps magnified in some parts of Malaita by local opposition to the acquisition of customary land for the construction of public infrastructure such as roads.¹⁷

The SIG is keen to proceed with the development of a commercial palm oil plantation at Auluta on eastern Malaita, despite a feasibility study that recommends against such a development on the basis of the fundamental unsuitability of the local geography. It seems that development on Malaita will continue to be thwarted by a combination of the island's geography and a conservative reluctance on the part of some Malaitans to allow development on their customary land.

Meanwhile, new agreements in relation to resource developments on Guadalcanal that give priority for employment to landowners

and other Guals are creating structural impediments for Malaitans looking for work. In any case, Malaitans feel generally reluctant to return to rural areas of Guadalcanal in search of employment, despite the dual pressures being felt on Malaita from the ongoing lack of employment opportunities and acute shortages of land for subsistence gardening and cash-cropping in some parts of the island, notably the densely populated north.

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Given this state of affairs, there's clearly an urgent need for Solomon Islanders' temporary labour migration trajectories to be expanded so that they can once again access Australian labour markets. The Australian Government's pilot guest workers scheme, which does not currently cater for Solomon Islands, needs to be extended and expanded to include Solomon Islanders. Serious consideration should also be given to broadening the scheme beyond the horticultural and agricultural industries to enable Solomon Islanders and other Pacific islanders to access the wider labour market.

Solomon Islanders have reported very positive experiences from their participation in New Zealand's seasonal employment scheme, and a 2006 World Bank report has demonstrated the significant economic benefits, in the form of the remittances, that could potentially flow from such schemes. The US has recently announced an expansion of its register of countries whose citizens are entitled to participate in its H-2A and H-2B temporary employment programs to include

Solomon Islands, as well as Fiji, Kiribati, Nauru, PNG, Samoa, Tonga, Tuvalu and Vanuatu.¹⁸ Those programs cover temporary jobs in both ‘agricultural’ and ‘non-agricultural’ sectors.

The relationships between internal migration, enclave development and conflict in Solomon Islands, and the ultimate cost that conflict can bring to bear on Australia, support a case for Solomon Islanders to be granted preferential access to Australian labour markets, even if that means competing with Australians for jobs. The Australian policy debate about Pacific labour mobility needs to be expanded from a narrow focus on Australia’s domestic economy to include explicit consideration of the development and stability of our Melanesian neighbours. Assessments of the costs and benefits of a Pacific labour mobility scheme should be broadened to include the developmental benefits to the source countries, and the costs of funding intervention missions such as RAMSI in response to conflicts that are largely driven by development factors.

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The opening of Australia’s labour markets to Pacific Islanders should occur alongside enhanced and expanded education and vocational training programs. There should be more scholarships for Solomon Islanders to study and train in Australia and at regional institutions, and agreements need to be made for the mutual recognition of vocational qualifications. Schemes for skilled and semiskilled workers entail very different sets of risks from those for unskilled workers. The main issue in the case of the former is brain drain,

whereas in the latter case it’s exploitation. Both sets of risks will need to be managed and minimised through appropriate regulatory measures, incentive structures and, in the case of unskilled workers, social support networks.

Maintaining an external security guarantee

The best explanation for the *timing* of the violent conflict and political turmoil that erupted in Solomon Islands in late 1998 lies in the relationship between conflict and boom-and-bust economic cycles. The structural causes of the conflict, such as uneven development, competing forms of political authority and the ‘youth bulge’, have been present in Solomon Islands for decades. It makes good sense, then, that it was the twin impact of the logging bust of 1997 and the structural adjustment reform program that followed it which provided the immediate impetus for the outbreak of conflict. This is consistent with research demonstrating that a boom-and-bust cycle is a threat to peace anywhere in the world, as well as with a recent detailed analysis of the causes of the conflict in Solomon Islands.¹⁹

With the impending exhaustion of the natural forest resource and the economic crisis that it’s expected to cause, the next ten to fifteen years will be an extremely challenging period for Solomon Islands. It’s also the case that most of the underlying structural causes of the conflict remain, with much work yet to be done to address them.

One of the most salient of those structural factors, the historical pattern of uneven development (and its bedfellow, relative deprivation), is likely to be amplified over the coming decades as the economic base shifts towards mining. Increased urbanisation will also further entrench real and perceived inequalities in the distribution of income and government services.

As recently argued by the World Bank, it will be critical that an international security guarantee remains in place as the Solomon Islands tackles these enormous challenges of development and change. By keeping the peace, and gradually learning from its critics and partners, RAMSI has created space for local agendas for peace-building, such as the recently established Truth and Reconciliation Commission. These home-grown processes have the best potential to address some of the underlying causes of the conflict. It's therefore important that space continue to be provided for them to flourish.

Maintaining a credible security guarantee for Solomon Islands isn't something that can be done via regular bilateral aid and foreign relations. It requires a special mechanism that will allow the continued on-the-ground presence of armed security forces from Australia, New Zealand and other Pacific Forum member states and, further down the track, the capacity to deploy such forces at short notice. The existing RAMSI architecture—its enabling legislation and governance structure—provides just such a mechanism.

Policy options

A: Maintain the status quo

Maintaining the status quo isn't considered to be a pragmatic option. Before the deployment of RAMSI, assistance to Solomon Islands under Australia's bilateral development aid program was around \$30–40 million per year. Under RAMSI, it's been scaled up to around \$250–300 million per year, making Solomon Islands the third largest recipient of Australian aid after Indonesia and PNG, and easily the largest on a per capita basis. The significant improvements in governance and stability in Solomon Islands that have occurred since July 2003 mean that the enormously disproportionate quantum of aid to Solomon Islands can no longer be justified.

In any case, cost considerations aside, there's now broad support among the three key parties—the SIG, the Australian Government and the Pacific Islands Forum—for the drawdown of RAMSI, though opinions differ about the timeframe. As noted above, some elected representatives in Solomon Islands want an expeditious and complete withdrawal of RAMSI.

B: Transition while maintaining the enabling framework

Given the need for a credible external security guarantee to be maintained now and for the foreseeable future, the Australian Government and its regional partners should seek to keep the basic framework of RAMSI's enabling architecture in place, while at the same time gradually transitioning the non-security related aspects of RAMSI's activities to the SIG, to the bilateral aid program, and to other donor programs. This will ensure that a mechanism remains to allow for the continued on-the-ground presence of regional armed security forces and their future deployment at short notice.

C: Transition with a streamlined enabling framework

A third option would be to work with the SIG and the Pacific Islands Forum to establish a more streamlined legislative and regulatory mechanism that would enable the external security guarantee to be maintained over the next ten to fifteen years, and possibly longer. Gradual transition of other RAMSI activities would then occur under that revised enabling framework. Further elaboration of what such a mechanism might look like is beyond the scope of this paper; however, it may include instruments such as a status of forces agreement. It will be important that the enabling mechanism remains regional and multilateral, as that has hitherto enabled RAMSI to work in politically sensitive areas.



An Australian Defence Force medic joins Solomon Islands Police Force officers and soldiers from the Tongan Defence Services on a routine patrol at a soccer match in Honiara, 14 November 2009. © Department of Defence

Assessing the options

Options B and C raise the question of whether an ongoing external security guarantee should continue to involve both police and military elements, as is currently the case under RAMSI. This question is largely about operational matters, given the ‘supporting’ role played by the Combined Task Force, and therefore beyond the scope of this analysis. However, in considering future roles for police and military, it’s important to bear in mind both the possibility of clandestine re-armament and the likelihood of violent conflict associated with expected socioeconomic change.

Inherent in options B and C is a need to rethink the aid delivery paradigm in order to better reflect the reality of a long-term aid engagement with Solomon Islands. This is a challenge not only for AusAID, but for all bilateral and multilateral donor agencies. It will also be important to recognise the need for sustained technical assistance to key areas of government, and for new advisory support to the extractive resource sectors. Some of that technical assistance will be best provided by donors other than AusAID. The World Bank, for example, is well placed to advise on the regulation of extractive industries, given its extensive experience in those sectors in PNG and elsewhere.

Also inherent in Options B and C is a need for the Australian Government to extend the pilot guest workers scheme and expand it to include Solomon Islanders. Labour mobility won't be a panacea for the social and economic challenges facing Solomon Islands; however, it will provide much-needed employment and remittance flows, and will foster closer social ties and deeper mutual understanding between Australians and Solomon Islanders.

Concluding remarks

The extent to which the conflict and state collapse that occurred in Solomon Islands posed a direct threat to Australia's national interests is open to question. But it was seen as such and that provided the rationale for the Australian-led intervention in 2003. More than seven years on, the question of whether or not the intervention was justifiable on the grounds of national security is immaterial. Having intervened, Australia and its regional partners now have a responsibility to stay the course. Above all, a precipitate withdrawal of the security guarantee must be avoided.

The RSIPF, deeply fractured and compromised during the 1998–2003 conflict, remains unarmed, and is years away from being able to carry out its mandated functions. More than two-thirds of the cost of policing in Solomon Islands is currently being met by donors. Without the logistical support of RAMSI police, the RSIPF doesn't have the capability to reach all parts of the nation.²⁰

In the 2009 Peoples Survey, an annual Australian Government-funded survey of Solomon Islanders' perceptions and opinions, only 31% of respondents reported that they believed that the 'RSIPF treat people fairly and with respect'. Fifty-five per cent stated that they believed that 'violence would return if RAMSI left soon'.

The parlous state of the RSIPF means that the Solomon Islands state cannot currently provide for the security of its citizens, and is unlikely to be able to do so for some time. The critical question then becomes: are there likely to be threats to peace and stability in Solomon Islands now and in the future? It's been argued here that the answer to that question is a resounding 'Yes'.

The historical relationships between political economy and conflict in Solomon Islands and, in fact, in many other parts of the world, indicate that Solomon Islands is entering into a high-risk period for conflict. An external security guarantee will need to be maintained for at least the next ten to fifteen years, and possibly longer. Those who currently provide that guarantee would have to be held accountable, were its premature withdrawal to result in the return of violence and disorder.

Endnotes

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- 6 For a history of the forestry sector in Solomon Islands, see Judith Bennett, 2000, *Pacific forest: a history of resource control and contest in Solomon Islands, c. 1800–1997*, Whitehorse and Brill, Cambridge and Leiden.
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- 13 World Bank, 2010, *Solomon Islands sources of growth: summary of findings*, p. 8.
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- 15 Sue Emmott and Manuhua Barcham, 2010, *Annual performance report 2009: a report on the performance of the Regional Assistance Mission to the Solomon Islands*, 15 March 2010. <http://www.ramsi.org/Media/docs/RAMSI-Annual-Performance-Report-2009-c93293d3-a6e8-4de7-81fc-e97c13adda0e-o.pdf>
- 16 World Bank, 2010, *Solomon Islands growth prospects: background material and analysis*, p. 64.
- 17 Lloyd Gina, 2003, *Journeys in a small canoe: the life and times of a Solomon Islander*, Pandanus Books, Canberra. Others argue that it's the form of development, as opposed to development per se, that's been resisted by Malaitans. See, for example, David Gegeo, 1998, 'Cultural rupture and indigeneity: the challenge of (re)visioning 'place' in the Pacific', *The Contemporary Pacific*, 13(2):491–507.
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20 An important question that hasn't been explored here is what type of policing model or approach is appropriate in Solomon Islands? The Participating Police Force is actively considering this question as part of its transition planning, including discussion of a 'community policing' model. It's important that this analysis continues to explicitly acknowledge that different geographic and sociocultural contexts will require different approaches to policing.

Acronyms and abbreviations

MDGs	Millennium Development Goals
PNG	Papua New Guinea
RAMSI	Regional Assistance Mission to Solomon Islands
RSIPF	Royal Solomon Islands Police Force
SIG	Solomon Islands Government

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